

Washington State Institute for Public Policy

Benefit-Cost Results

Functional Family Therapy (youth in state institutions) Juvenile Justice

Benefit-cost estimates updated December 2016. Literature review updated December 2014.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our Technical Documentation.

Program Description: Functional Family Therapy (FFT) is a structured family-based intervention that uses a multi-step approach to enhance protective factors and reduce risk factors in the family, which can be done in a variety of settings (e.g., clinic, home, school, institutions). The five major components of FFT include engagement, motivation, identifying patterns of interaction within the family, behavior change, and generalizing positive interactions into new situations. Trained FFT therapists have a caseload of 10 to 12 families and the intervention involves 12 to 14 visits over a three to five month period.

In our analysis, we only include effect sizes from programs that were delivered competently and with fidelity to the program model.

Benefit-Cost Summary Statistics Per Participant								
Benefits to:								
Taxpayers	\$7,833	Benefit to cost ratio	\$9.38					
Participants	\$1,239	Benefits minus costs	\$28,723					
Others	\$20,888	Chance the program will produce						
Indirect	\$2,191	benefits greater than the costs	99 %					
Total benefits	\$32,150							
Net program cost	(\$3,427)							
Benefits minus cost	\$28,723							

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2015). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our Technical Documentation.

Detailed Monetary Benefit Estimates Per Participant									
Benefits from changes to:1		Ве	nefits to:						
	Participants	Taxpayers	Others ²	Indirect ³	Total				
Crime	\$0	\$7,124	\$20,448	\$3,565	\$31,137				
Labor market earnings associated with high school graduation	\$1,384	\$629	\$636	\$303	\$2,952				
Health care associated with educational attainment	(\$41)	\$150	(\$164)	\$75	\$19				
Costs of higher education	(\$105)	(\$69)	(\$32)	(\$35)	(\$241)				
Adjustment for deadweight cost of program	\$0	\$0	\$0	(\$1,717)	(\$1,717)				
Totals	\$1,239	\$7,833	\$20,888	\$2,191	\$32,150				

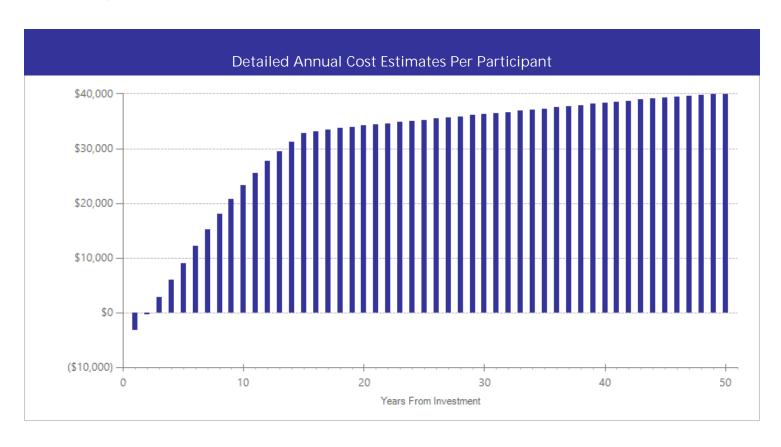
¹In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

^{3&}quot;Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Annual Cost Estimates Per Participant								
	Annual cost	Year dollars	Summary					
Program costs Comparison costs	\$3,134 \$0	2008 2008	Present value of net program costs (in 2015 dollars) Cost range (+ or -)	(\$3,427) 10 %				

The per-participant costs, based on three months, are from Barnoski, R. (2009). *Providing evidence-based programs with fidelity in Washington State Juvenile courts: Cost analysis* (Doc. No. 09-12-1201). Olympia: Washington State Institute for Public Policy.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our Technical Documentation.



²"Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.

The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in non-discounted dollars to simplify the "break-even" point from a budgeting perspective. If the dollars are negative (bars below \$0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach \$0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above \$0, the benefits of the program exceed the initial investment.

Meta-Analysis of Program Effects										
Outcomes measured	No. of effect sizes	Treatment N	Adjusted effect sizes and stand cost ar			dard errors used in the benefit- nalysis Second time ES is estimated			Unadjusted effect size (random effects model)	
			ES	SE	Age	ES	SE	Age	ES	p-value
Crime	8	681	-0.261	0.096	19	-0.261	0.096	29	-0.585	0.001

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our Technical Documentation.

Citations Used in the Meta-Analysis

- Alexander, J.F., & Parsons, B.V. (1973). Short-term behavioral intervention with delinquent families: Impact on family process and recidivism. *Journal of Abnormal Psychology*, 81(3), 219-225.
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- Gordon, D.A., Graves, K., & Arbuthnot, J. (1995). The effect of Functional Family Therapy for delinquents on adult criminal behavior. *Criminal Justice and Behavior*, 22(1), 60-73.
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- Hannson, K. (1998). Functional Family Therapy Replication in Sweden: Treatment Outcome with Juvenile Delinquents. Paper presented to the Eighth International Conference on treating addictive behaviors. Santa Fe, NM, February 1998, as reported in: Alexander, J., Barton, C., Gordon, D., Grotpeter, J., Hansson, K., Harrison, R., Mears, S., Mihalic, S., Parsons, B., Pugh, C., Schulman, S., Waldron, H., and Sexton, T. (1998). Blueprints for Violence Prevention, Book Three: Functional Family Therapy. Boulder, CO: Center for the Study and Prevention of Violence.
- Klein, N.C., Alexander, J.F., & Parsons, B.V. (1977). Impact of family systems intervention on recidivism and sibling delinquency: A model of primary prevention and program evaluation. *Journal of Consulting and Clinical Psychology*, 45(3), 469-474.
- Sexton, T., & Turner, C.W. (2010). The effectiveness of Functional Family Therapy for youth with behavioral problems in a community practice setting. Journal of Family Psychology, 24(3), 339-348.

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Printed on 02-04-2017



Washington State Institute for Public Policy

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